

INSTRUCTIONS: INITIAL APPLICATION FOR LICENSURE

Virginia Department of Social Services
Division of Licensing Programs

**INITIAL APPLICATION FOR LICENSURE OF A CHILD WELFARE AGENCY, ASSISTED LIVING
FACILITY, OR ADULT DAY CARE CENTER**

NOTE: A “child welfare agency” means a child day center, child-placing agency, children's residential facility, family day home, family day system, or independent foster home. (§ 63.2-100 Code of Virginia)

Required Submissions (see Special Instructions on pages 7-9 for licensee relocating a facility or opening an additional facility):

Part I – Applicant Information

1. All applicants must complete and submit pages 1, 10, and 11, and
2. Applicants who are **individuals/sole proprietors** must also complete and submit page 3 and the required attachments (do not submit pages 4, 5, 6, 7, 8, or 9)
3. Applicants that are **partnerships** must also complete and submit page 4 and the required attachments (do not submit pages 3, 5, 6, 7, 8, or 9)
4. Applicants that are **corporations** must also complete and submit page 5 and the required attachments (do not submit pages 3, 4, 6, 7, 8, or 9)
5. Applicants that are **associations** must also complete and submit page 6 and the required attachments (do not submit pages 3, 4, 5, 7, 8, or 9)
6. Applicants that are **limited liability companies** must also complete and submit page 7 and the required attachments (do not submit pages 3, 4, 5, 6, 8, or 9)
7. Applicants that are **public agencies** must also complete and submit page 8 and the required attachments (do not submit pages 3, 4, 5, 6, 7, or 9)
8. Applicants that are **business trusts** must also complete and submit page 9 and the required attachments (do not submit pages 3, 4, 5, 6, 7, or 8)

NOTE: To conduct business in Virginia, corporations and limited liability companies (LLCs) must have a current certificate of authority issued by the Virginia State Corporation Commission. Corporations and LLCs cannot be licensed as those business types without a current certificate of authority.

Part I - Attachments

Three Reference Letters

- Required for all applicants and agents
Exception: Public agencies are not required to submit reference letters

Personal Qualifying Information Form

- Required for all applicants and agents who have within the last 10 years served as either a voting officer, director, or a principal stockholder of any child welfare, assisted living, adult day care, nursing home, behavioral or mental health facility, program or agency requiring licensure in Virginia or in another state
Exception: Public agencies are not required to submit Personal Qualifying Information Forms
- An initial application will be considered complete without the required Personal Qualifying Information Form if an applicant or agent can document that he has requested information from another state in which he has been affiliated with a licensed human care facility, but that state has not submitted the requested information. Documented requests would include a copy of letter mailed or a copy of the envelope addressed to the facility, postal receipt, fax, or an email showing the form attached.

Financial Information – General

- **How will the financial information be used?**
It will be used by the Licensing Inspector to investigate the applicant's financial responsibility as required by § 63.2-1702 of the Code of Virginia. Financial responsibility is determined by comparing income and expenses for the facility (budget) to see if expenses far exceed income and by comparing liabilities and assets (balance sheet) to see if what is owed far exceeds assets. In addition, based on the budget submitted, the applicant must provide verification that he has access to funds to operate the facility for 90 days.

If the applicant cannot submit a reasonable budget, balance sheet, and documentation of funds to cover 90 days of operating expenses, the application will be denied because the applicant failed to submit satisfactory documentation of financial responsibility as required by § 63.2-1707 of the Code of Virginia.
- **How is financial information protected?**
 1. It is maintained confidentially in the provider's record at the Licensing Office;
 2. If it has not been published, it is proprietary information and not required to be released by the Division of Licensing Programs under the Freedom of Information Act (FOIA). To further protect the privacy of the information, it is suggested that applicants mark "Confidential" on the documents submitted;

3. Publically traded corporations are required by law to make much of their financial information available to the public so their financial information would be released if a FOIA request was received by the Division of Licensing Programs.

- **Where could an applicant get help with preparing the financial documents?**

Applicants could seek help from an accountant, one of the state provider associations, or another provider. There are also multiple websites for businesses including -

The federal Small Business Administration at:

<http://www.sba.gov/content/financial-statements>

Governor McDonnell's Business One Stop at: <http://www.bos.virginia.gov/>

The Virginia Dept. of Business Assistance at:

http://www.dba.virginia.gov/starting_business.shtml and at:

<http://www.dba.virginia.gov/vsbfa.shtml>

Information for starting a day care business at:

<http://www.bing.com/search?q=starting+a+day+care+business+in+virginia&src=IE-SearchBox&Form=IE8SRC&adlt=strict>

Balance Sheet

- Required for all applicants

Exceptions:

1. A family day home and an independent foster home are to submit the "Financial Statement/Budget for Licensed Family Day Homes and Independent Foster Homes."
2. A child welfare agency may instead submit a current balance sheet and income statement accompanied by a letter from a certified public accountant certifying the accuracy thereof and three credit references. If an applicant chooses this option, two of the credit references must be from banks and/or one of the three credit agencies, *TransUnion*, *Equifax*, or *Experian*; one of the credit references may be from a service vendor such as a commercial food sales company, a utility company, etc.
3. A public agency is to submit documentation of appropriated revenue and projected expenses for the coming year.

- The balance sheet form on the public website contains the information required for application. It is a model form so applicants may submit their own balance

sheet or one from their accountant as long as the balance sheet contains information similar to that on the model form.

- If a corporation operates multiple facilities and one or more facilities financially support another, the applicant may submit the same balance sheet for multiple facilities if the facilities share assets/liabilities.

Annual Operating Statement/Working Budget

- Required for all applicants
Exceptions:
 1. A family day home and an independent foster home are to submit the “Financial Statement/Budget for Licensed Family Day Homes and Independent Foster Homes.”
 2. A child welfare agency may instead submit a current balance sheet and income statement accompanied by a letter from a certified public accountant certifying the accuracy thereof and three credit references. If an applicant chooses this option, two of the credit references must be from banks and/or one of the three credit agencies, *TransUnion, Equifax, or Experian*; one of the credit references may be from a service vendor such as a commercial food sales company, a utility company, etc.
 3. A public agency is to submit documentation of appropriated revenue and projected expenses for the coming year
- The budget form on the public website contains the information required for renewal. It is a model form so applicants may submit their own budget or one from their accountant as long as the budget contains information similar to that on the model form.
- If a facility does not use a line item (such as contractual services), the applicant can leave that section blank or write “NA” in the space.
- If a corporation operates multiple facilities and one facility financially supports another, the applicant may not submit one combined budget for all facilities; the budget submitted must reflect the income and expenses for each licensed facility.
- If the applicant operates, for example, an assisted living facility, nursing home, and independent living facility in the same building or on the same property, the

applicant does not have to separate out all the expenses (e.g., depreciation, vehicles, furniture, liability insurance) for the assisted living facility.

Documentation of Funds for 90 Days of Operating Expenses

- Required for all applicants

Exceptions:

1. A child welfare agency may instead submit a current balance sheet and income statement accompanied by a letter from a certified public accountant certifying the accuracy thereof and three credit references.
 2. A public agency is to submit documentation of appropriated revenue and projected expenses for the coming year
- Documentation of funds in a bank, a line of credit at a bank, or a line of credit on a credit card are acceptable types of documentation. "Line of credit" – means any credit source extended to a government, business or individual by a bank or other financial institution. It is effectively a bank account that can readily be tapped at the borrower's discretion.
 - Future income may not be counted as documentation of funds for 90 days of operation at initial application because the requirement is for having funds on hand at start up; future income is not available to cover start-up costs.
 - The expenses to be shown on the budget (and used to calculate the funds needed for 90 days of operating expenses) are the expenses for the actual anticipated number of children/adults in care (not the expenses for the maximum capacity) those first 90 days of operation.

Part II – Program Addendum

- All applicants must submit the addendum and required addendum attachments for their program type (child day center, assisted living facility, etc.).
- Background Checks completed within the previous 90 days are required for all applicants (see exceptions for applicants who are relocating a facility or opening an additional facility).
- Family Day Homes – Must submit the Contact with Local Zoning Administrator form

If the zoning administrator indicates on the Contact with Local Zoning Administrator form (or otherwise communicates to Licensing) that:

- Under no circumstances would local zoning allow more than x number of children, a license will not be issued for more than x number of children; or
- The issuance of a special/conditional use permit is required, the permit must be issued before the provider can be licensed (22 VAC-40-111-30 A of the Standards for Licensed Family Day Homes requires compliance with local laws).

Part III – Fees

- All applicants must submit the appropriate application/annual fee (see page 11 of the application for amounts)

SPECIAL INSTRUCTIONS:

CURRENT LICENSEES PERMANENTLY RELOCATING A FACILITY TO A NEW SITE

An initial application for licensure must be submitted for a facility that is being permanently relocated (except for family day homes and short-term child day centers):

Part I – General Information

- Pages 1, 10 and 11 of the application must be completed and submitted
- Page 3, 4, 5, 6, 7, 8, or 9 (as applicable) must be completed and submitted
- A current licensee who is submitting an initial application due to permanently relocating a currently licensed facility is not required to submit reference letters or Personal Qualifying Information (if applicable) if he has previously submitted them. References and Personal Qualifying Information (if applicable) must be submitted for any officer of a corporation, members of an LLC, etc. and agent for whom these items have not previously been submitted.
- A balance sheet, annual operating statement/working budget, and documentation of funds for 90 days of operating expenses must be submitted.

Part II – Program Addendum

- The applicable Program Addendum must be submitted.
- An applicant for licensure to operate an assisted living facility (ALF) has to have a background check one time. If a current ALF licensee is submitting an initial application because the facility is permanently moving to a new location, but the officers (if the licensee is a corporation), the members (if the licensee is a limited liability company) or the partners (if the licensee is a partnership) and agents remain the same, the background checks do not have to be repeated for the new application. Background checks must be submitted for any new officers/members/partners and agents whose background checks have not previously been submitted.
- Child welfare agency licensees are required by regulation to repeat background checks every three years. When a facility permanently relocates, existing background checks (sworn statement, central registry check, and criminal history record check) for officers/members/partners of current corporate/limited liability company/partnership licensees and agents are acceptable for the new application if the checks are no older than three years. Background checks must be submitted for any officers/members/partners and agents whose background checks have not previously been submitted.
- Attachments to the Addendum relating to building information and the name of the management company (if any) must be submitted.
- For items on the Addendum relating to forms, staff, etc.), the applicant may write “No Change” on the Addendum if they will remain the same at the facility’s new location.

Part III Fees

- The appropriate fee must be submitted with the application.

CURRENT LICENSEES OPENING AN ADDITIONAL FACILITY

A current licensee must submit an initial application for licensure when opening an additional facility:

Part I – General Information

- Pages 1, 10 and 11 of the application must be completed and submitted
- Page 3, 4, 5, 6, 7, 8, or 9 (as applicable) must be completed and submitted

- A current licensee who is submitting an initial application due to opening an additional facility is not required to submit reference letters or Personal Qualifying Information (if applicable) if he has previously submitted them. References and Personal Qualifying Information (if applicable) must be submitted for any officer of a corporation, members of an LLC, etc. and agent for whom these items have not previously been submitted.
- A balance sheet, annual operating statement/working budget, and documentation of funds for 90 days of operating expenses must be submitted.

Part II – Program Addendum

- The applicable Program Addendum and attachments must be submitted.
- An applicant for licensure to operate an assisted living facility has to have a background check one time. If a current licensee is submitting an initial application due to opening an additional facility, but the officers (if the licensee is a corporation), the members (if the licensee is a limited liability company) or the partners (if the licensee is a partnership) and agents remain the same, the checks do not have to be repeated for the new application. The licensee may either submit the background checks with the application or indicate on the application the name of the currently licensed facility for which and the Licensing Office to which the licensee's and agents background checks have been previously submitted. Background checks must be submitted for any officers/members/partners and agents whose background checks have not previously been submitted.
- Child welfare agency licensees are required by regulation to repeat background checks every three years. When a licensee is submitting an initial application due to opening an additional facility, existing background checks (sworn statement, central registry check, and criminal history record check) for officers/members/partners of current licensees that are corporations/limited liability companies/partnerships, etc. and agents are acceptable for the new application if the checks are no older than three years. Background checks must be submitted for any new officers/members/partners and agents whose background checks have not previously been submitted. The licensee may either submit the background checks with the application or indicate on the application the name of the currently licensed facility for which and the Licensing Office to which the licensee's and agents background checks have been previously submitted. Background checks must be submitted for any new officers/members/partners and agents whose background checks have not previously been submitted.

Part III Fees

- The appropriate fee must be submitted with the application.

CODE OF VIRGINIA

§ 63.2-1702 Investigation on receipt of application [for licensure].

Upon receipt of the application the Commissioner shall cause an investigation to be made of the activities, services and facilities of the applicant, of the applicant's financial responsibility, and of his character and reputation or, if the applicant is an association, partnership, limited liability company or corporation, the character and reputation of its officers and agents. In the case of child welfare agencies, the financial records of an applicant shall not be subject to inspection if the applicant submits a current balance sheet and income statement accompanied by a letter from a certified public accountant certifying the accuracy thereof and three credit references. In the case of child welfare agencies and assisted living facilities, the character and reputation investigation upon application shall include background checks pursuant to § 63.2-1721; however, a children's residential facility shall comply with the background check requirements contained in § 63.2-1726.

§ 63.2-1707. Issuance or refusal of license; notification; provisional and conditional licenses.

Upon completion of his investigation, the Commissioner shall issue an appropriate license to the applicant if (i) the applicant has made adequate provision for such activities, services and facilities as are reasonably conducive to the welfare of the residents, participants or children over whom he may have custody or control; (ii) the applicant has submitted satisfactory documentation of financial responsibility such as, but not limited to, a letter of credit, a certified financial statement, or similar documents; (iii) he is, or the officers and agents of the applicant if it is an association, partnership, limited liability company or corporation are, of good character and reputation; and (iv) the applicant and agents comply with the provisions of this subtitle. Otherwise, the license shall be denied. Immediately upon taking final action, the Commissioner shall notify the applicant of such action.

Upon completion of the investigation for the renewal of a license, the Commissioner may issue a provisional license to any applicant if the applicant is temporarily unable to comply with all of the licensure requirements. The provisional license may be renewed, but the issuance of a provisional license and any renewals thereof shall be for no longer a period than six successive months. A copy of the provisional license shall be prominently displayed by the provider at each public entrance of the subject facility and shall be printed in a clear and legible size and style. In addition, the facility shall be required to prominently display next to the posted provisional license a notice that a description of specific violations of licensing standards to be corrected and the deadline for completion of such corrections is available for inspection at the facility and on the facility's website, if applicable.

At the discretion of the Commissioner, a conditional license may be issued to an applicant to operate a new facility in order to permit the applicant to demonstrate compliance with licensure requirements. Such conditional license may be renewed, but the issuance of a conditional license and any renewals thereof shall be for no longer a period than six successive months.